for exports as well as the policy environment. As per the DGCI&S quick estimates for April-December, 1996-97, commodities like tea, coffee, rice, cashew, fruits and vegetables, gems and jewellery, leather manufactures, man-made yarn fabrics, etc., jute manufactures, Handicrafts and Plastic and Lineoleum Products have registered negative growth.

During April-December, 1996-97, the value of exports as well as imports have shown increase though the growth rates are at lower levels than during the previous year period. Measures for promoting exports are continuously being taken. These include changes in policies and procedures for providing an export friendly environment, interaction with trade and industry, consultations with the State Governments for involving States in export promotion, de-bottlenecking of crucial infrastructure facilities for exports, meeting of joint commissions and bilateral fora and dialogue with partner countries.

*[English]*

**Electoral Reforms**

*115. SHRI MUKHTAR ANIS : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the details of the proposals and suggestions for reforms in Electoral System and the laws relating thereto submitted by the Election Commission of India to the Union Government which are pending as on January 1, 1997;

(b) whether the Government propose to consult various political parties on these proposals and suggestions; and

(c) if so, by when the Government are likely to take a decision in the matter?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) A statement is laid on the Tabel of the House.

(b) Yes, Sir.

(c) Electoral Reforms being a continuous process, it is not feasible to indicate the exact time by which Government would take a decision in the matter. Government, however, is keen to finalise a comprehensive package on Electoral Reforms as early as possible.

***Statement***

*Important Proposals of the Election Commission which are pending as on 1st January, 1997.*

1. The Election Commission should have an independent secretariat and the expenditure on the Commission should be 'charged'.
2. No candidate should be allowed to contest from more than one constituency.
3. Automatic disqualification of a person found guilty of corrupt practice.
4. Enhancement of required minimum number of valid votes polled to save security deposit from 'one-sixth' to 'one-fourth' thereof.
5. Compulsory maintenance of accounts by political parties and audit thereof.
6. The existing provision in section 29A of the Representation of the People Act, 1951, relating to registration of political parties, should not be deleted and there should be a specific provision to de-register a party if it violates the undertaking given under the section. The power to de-register should vest in the High Court.
7. Mobilisation of employees of Public Sector Undertakings, autonomous bodies, statutory and non-statutory bodies aided by the Government etc., for election duties as also to provide that employees of such bodies including local bodies could also be deployed for election duties outside their State.
8. Restoration of pre- 1974 position in respect of election expenses.
9. Increase in the ceiling on election expenses as laid in Rule 90 of the Conduct of Elections Rules, 1961.
10. The officer nominated or designated as Chief Electoral Officer should not be allowed to do any other work except with the approval of the Election Commission.
11. Statutory backing to provisions of Part VII of the Model Code of Conduct.
12. Empowering Election Commission to issue instructions and to make recommendations in connection with elections.

**Privatisation of Coal Sector**

*116. SHRI K.P. SINGH DEO :
SHRI NAMDEO DIWATHE :

Will the Minister of COAL be pleased to state :

(a) whether the Government propose to privatise different areas in the coal sector;

(b) if so, the details of the plan and areas under different coal companies identified for the purpose;

(c) whether the power and steel companies of public sector have also been offered some blocks for coal mining and allied activities; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) : (a) The Government propose to move a Bill to amend the Coal Mines (Nationalisation) Act, 1973 to permit any Indian company to mine coal.

(b) The details of areas for which leases could be offered to Indian companies to mine on the basis of competitive bidding will be worked out after the legislative changes are effected by the Parliament and competitive bidding rules are framed thereafter.

(c) and (d) At the time of nationalisation of coal mines in India in 1972-73 certain mines which were being operated by Damodar Valley Corporation were not nationalised. After the amendment in the Coal Mines (Nationalisation) Act, 1973 in 1993, captive mining blocks were offered to the following named State Power Utilities and public sector enterprises in the power and steel sector as per details below :

| Sl No. | Name | End Use | Coalfields in which blocks identified/ indicated are located | Geological reserves (MTs) |
|---|---|---|---|---|
| 1. | Andhra Pradesh State Electricity Board | Power Generation | Talcher | 420 |
| 2. | West Bengal State Electricity Board | Power Generation | Raniganj | 80 |
| 3. | West Bengal Power Development Corporation Ltd. | Power Generation | Raniganj | 130 |
| 4. | Steel Authority of India Ltd. | Steel | Jharia | 2149 |

**Difference in Interest Rates**

*117. SHRI BHUPINDER SINGH HOODA : Will the Minister of FINANCE be pleased to state :

(a) whether NABARD releases funds at 2 to 3 per cent rate of interest for grant of loans to farmers;

(b) whether the farmers got even short term crop loans at the interest rate of 12 to 14 per cent;

(c) if so, the reasons for the huge difference between the interest charged by the NABARD and the interest which the farmers have to pay for the loans; and

(d) the remedial steps being taken by the Government?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) National Bank for Agriculture and Rural Development (NABARD) provides refinance assistance to the cooperative credit institutions and Regional Rural Banks (RRBs) for financing Seasonal Agricultural Operations (SAO) out of the General Line of Credit (GLC) provided by Reserve Bank of India (RBI).

The rates of interest on short term SAO credit limits to cooperative banks from NABARD, with effect from 1.7.1996, are given below :

| Percentage of SCB's borrowing from NABARD to ST (SAO) loans outstanding against PACS | Rate of interest (% p.a.) |
|---|---|
| less than 35 | 5.0 |
| 35 & above but less than 40 | 5.5 |
| 40 & above but less than 45 | 6.0 |
| 45 & above but less than 50 | 6.5 |
| 50 & above but less than 55 | 7.0 |
| 55 & above | 7.5 |

However, the interest rate on refinance for ST-SAO credit limits to all cooperative banks in North-Eastern Region and for refinance for limits under ST (SAO) - Development of Tribal Population is fixed at 5% p.a. irrespective of the level of borrowings. The rate of interest chargeable by NABARD on the ST (SAO) refinance to RRBs is 6.5% p.a.

(b) to (d) The rates of interest to be charged by cooperative credit institutions on loans to ultimate borrowers have been deregulated with effect from 2nd November, 1994, subject to a minimum of 12% p.a. for all loan slabs. The rate of interest to be charged by Regional Rural Banks (RRBs) has also been fully deregulated with effect from 26th August, 1996.

In the deregulated environment, the rate of interest charged on loans is normally contingent upon a number of factors including inter-alia, the average cost of mobilisation of resources, level of dependence on NABARD refinance assistance, efficiency of lending operations and the margins to be retained at various level in order to meet the administrative costs and servicing of loans. Refinance available from NABARD at lower rates helps the lending institutions in bringing down their average cost of resources. However, a substantial portion of crop loans advanced by rural credit institutions comes from resources mobilised by such institutions costs much higher than NABARD's refinance rates.

Keeping in view the risk cost associated with rural lending and the cost of carrying higher level of overdues, it appears necessary for the fural credit institutions to keep their interest rates at reasonable levels to ensure sustainable viability of operations.